



State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

March 2, 2007

PPL No. 07-005

TO: Local Governmental Agencies (LGA), and
Local Educational Consortium (LEC) Coordinators for
Medi-Cal Administrative Activities (MAA)

SUBJECT: **REVISED THREE-STEP REVIEW POLICY FOR MAA CLAIMING PLANS,
CLAIMING PLAN AMENDMENTS, INVOICES, AND CONTRACTS**

This Policy and Procedure Letter supersedes PPL 05-003, dated May 18, 2005. The California Department of Health Services (CDHS) has revised the Three-Step Review Policy, which established a protocol for CDHS documentation requirements.

The Three-Step Review will apply to County Based MAA (CMAA) and School Based MAA (SMAA), for requested corrections and/or additional information to support the following:

- County Based MAA (CMAA) - time surveys, invoices, contracts, claiming plans, and claiming plan amendments.
- School Based MAA (SMAA) - time surveys, invoices, contracts and documentation in support of their operational plans.

CDHS can no longer continue to indefinitely hold CMAA claiming plans, amendments, and invoices; or SMAA invoices while waiting for the essential corrections or backup information from the MAA Coordinators. Historically, the withholding of these documents has created workload backlog, and affects timely payments of invoices.

Effective ten (10) days after the date of this letter, CDHS will use the following Three-Step Review for all County Based and School Based MAA corrections and/or additional information:

Step 1:

The CMAA and SMAA analysts, where applicable, will review the claiming plans, claiming plan amendments, time surveys, invoices, contracts, and operational plan support documents for each respective claiming unit, and shall notify the MAA Coordinator by e-mail that corrections and/or additional information is necessary.

The analyst shall request that the corrections and/or additional information from the MAA Coordinator be sent within five business days from the date of the email message.

Step 2:

If the MAA Coordinator does not respond within five business days or sends incomplete information, the CMAA or SMAA analyst shall notify the MAA Coordinator a second time both by email and telephone, and the co-chairs and/or their designee will be cc'd. An additional five business days will be given for response.

Step 3:

CMAA Supporting Documentation

If the MAA Coordinator does not respond or sends incomplete information by the end of the second five business days, the CMAA analyst shall return the claiming plan, claiming plan amendments, entire invoice package and/or contract.

The claiming plan and claiming plan amendments may then only be submitted in the next quarter reporting period.

The CMAA invoice will be denied as it is not adequately documented to be eligible for federal reimbursement.

SMAA Supporting Documentation

If the MAA Coordinator does not respond or sends incomplete information by the end of the second five business days, the SMAA analyst shall return the related invoice package and/or contract.

The SMAA invoice will be denied as it is not adequately documented to be eligible for federal reimbursement

In addition, pursuant to PPL 06-005 invoices must be submitted prior to the 15 month deadline for SMAA, and prior to the 18 month deadline for CMAA, or they **may not** be paid.

Unforeseen exceptions or delays will be reviewed on a case by case basis and must be approved by CDHS management. CDHS will only receive these exception requests from the LGA or LEC MAA coordinators. An e-mail explaining the situation must be sent to the CDHS MAA Analyst, with a cc: to the CMAA or SMAA Unit Manager (as appropriate) and the Section Manager.

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Page 3
March 2, 2007

If you have any questions concerning this policy, please contact Fred Chow, Chief of Program Planning and Policy Data Unit, at (916) 552-9618, or via email at: FChow@dhs.ca.gov.

Sincerely,

Original Signed by Elizabeth Touhey

Elizabeth Touhey, Chief
Administrative Claiming Local and
Schools Services Section

cc: Ms. Cathleen Gentry
MAA/TCM Consultant
Local Governmental Agency
455 Pine Avenue
Half Moon Bay, CA 94019